



LETTER OF COMMENT NO. 119

April 14, 2009

Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 1630-100

Dear Sir,

United States Steel Corporation (U. S. Steel) appreciates the opportunity to comment on the Discussion Paper "Preliminary Views on Financial Statement Presentation," (the Discussion Paper). We support the objectives underlying the proposal, namely, that the information in the financial statements be presented in a manner that portrays a cohesive picture of an entity's activities; that disaggregates information so that it is useful in assessing the amount, timing, and uncertainty of an entity's future cash flows; and that it helps users to assess an entity's ability to meet its financial commitments as they become due and to invest in business opportunities. However, we believe that, collectively, the proposed changes are too extreme and that the Financial Accounting Standards Board and International Accounting Standards Board should focus on convergence of current U.S. GAAP and International Financial Reporting Standards to achieve convergence to one set of globally accepted accounting standards rather than introducing new guidance at this time. There are several critical areas where we have significant concerns. Our primary concerns with proposals in the Discussion Paper are as follows:

- Presenting the Statement of Cash Flows under the direct method would be extremely difficult due to the fact that our current systems do not report cash flow information in a manner required by the direct method. Modification of the systems to capture direct method cash flow information would be cost prohibitive. Without a compelling reason to discontinue the indirect method of cash flows, we believe that it should continue to be an acceptable format.
- The reconciliation of Cash Flows to Comprehensive Income would be difficult and costly to implement. Our systems are not designed to readily provide this information and modification of our systems to capture this data would be cost prohibitive. This schedule is a cumbersome disclosure, which would require significant time to create, and we believe that the preparation costs outweigh the benefit of the information.
- Disaggregating items on the face of the financial statements by function and then by nature would clutter the financial statements. Additionally, as with our other two concerns, this information will be difficult to gather from our current accounting systems. As a manufacturer, we use standard costing. Therefore,

once inventory items are recognized in cost of sales, it becomes difficult to compile the cost information by nature. We do not agree that providing more information will necessarily provide clarity to our financial statements.

All of the above concerns revolve around systems modifications that would be costly to implement. In light of the current global financial crisis we do not feel that any changes that will result in a significant cash outflow should be required at this time.

We defer on answering all of the questions listed in the Discussion Paper. At this time, we feel that convergence between U. S. GAAP and International Financial Reporting Standards on existing guidance should take precedence over the introduction of significant changes to financial statement presentation.

We appreciate your consideration of these comments. If you have any questions with respect to our comments, please call Kim Fast, Director – External Reporting and Financial Analysis, at 412-433-5572.

Sincerely,

Gretchen R. Haggerty
Executive Vice President & Chief Financial Officer